

MEMORANDUM

To: Scott Taylor, Senior Planner, Grey County

From: Stefan Krzeczunowicz and Patrick Barbieri

Date: July 14, 2021

Re: Update to the County of Grey Growth Management Strategy

Hemson Consulting has been providing input to the County's Growth Management Strategy (GMS) since 2014. As it has been some time since the growth outlook was last evaluated, an update to the forecasts and allocations of population, housing and employment is warranted. The analysis encompasses current County land supply information as well as all municipal plans of sub-division. As this update is being completed while the COVID-19 Pandemic is still in full effect, the analysis considers the short and long-term impacts it will have.

This update is being completed at an opportune time as in 2020 the Provincial Policy Statement (PPS) was released, extending the land-use planning horizon from 20 to 25 years. The updated PPS emphasizes several elements including: the mix of housing development; building of transit-supportive communities; and the protection of industrial style employment lands all within the context of protection of the environment. For Grey County, growth pressure from the rapidly growing Greater Golden Horseshoe is increasing, especially in areas within commuting distance of job centres. Since early 2020, COVID-19 has been having a noticeable influence on both migration and work patterns. However, how long this disruption will last and whether or not certain changes are permanent is still unknown.

Another reason why this is an appropriate time to update the GMS is that the County has recently experienced a surge in population. Data for 2020 from Statistics Canada's *Annual Demographic Estimates*, indicates that the County has experienced much faster growth than that was anticipated in the previous GMS in 2018. The County grew by 4,000 residents between the 2016 Census and the onset of COVID-19; much more than it experienced between 2006 and 2016. As shown in Table 1, the County is likely to exceed a population of 103,000 residents in 2021.

Table 1 – Grey County Population, 2016 – 2021 estimate

Year	Total Population ¹	Population Growth	Annual Growth Rate
2016	96,300		
2017	97,750	1,450	1.5%
2018	99,100	1,350	1.4%
2019	100,450	1,350	1.4%
2020	102,010	1,560	1.6%
2021	103,330	1,320	1.3%

Source: Hemson Consulting Ltd.

1: Total population includes Census Net Undercoverage

There is a considerable amount of development underway in the County and as indicated by the number of units in active and draft approved plans of sub-division, this high level of development activity is anticipated to continue in the short-term. The forecast for the longer term uses assumptions for fertility and mortality that are closely aligned to the Ministry of Finance Summer 2020 population projections. Although expected short-term migration has been affected by COVID-19 the forecast has been adjusted upwards for the early 2020s.

Table 2 – Grey County Permanent Households: Study Comparison

Year	2018 GMS	2020 Update	Difference
2016	39,580	39,580	0
2017	39,910	39,970	60
2018	40,240	40,560	320
2019	40,570	41,210	640
2020	40,900	42,060	1,160
2021	41,250	43,540	2,290

Source: Hemson Consulting Ltd.

In 2018, the GMS assumed a fairly even distribution of housing growth across the County. However, it is now expected that there will be significant development pressure in The Blue Mountains, Hanover, Southgate and Owen Sound. In combination, these four municipalities will account for nearly 70% of the total household growth. It should be noted that the municipalities of Meaford and Grey Highlands are experiencing a significant increase in potential development and could warrant a higher housing allocation in the next GMS. Importantly, this update to the County’s GMS assumes that servicing constraints will not be an impediment to long-term growth. Also, it assumes a greater reliance and longevity to rural-based employment. These are jobs located outside urban areas and are primarily agricultural, small scale manufacturing, construction and tourism or recreational in type.

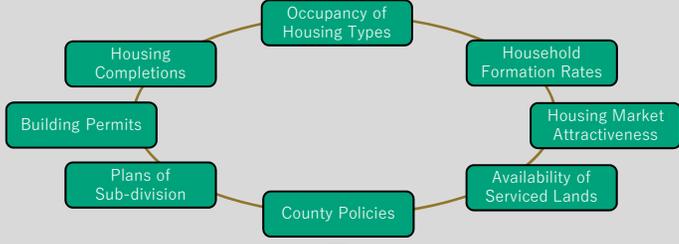
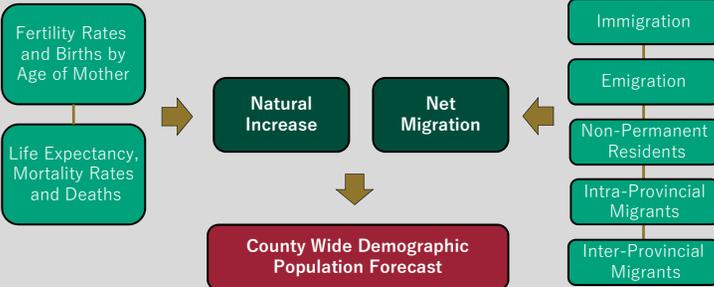
Hemson’s forecast allocation methodology is shown as Figure 1 on the following page.

HEMSON - Residential and Employment Forecast Methodologies

Residential and employment forecasts and all assumptions are informed by a general long-term outlook for the economy of relative prosperity that remains attractive to migrants seeking economic opportunity

Residential Forecast

Demographic data is collected and forecasted by single year age and sex (between ages 0 – 100+)

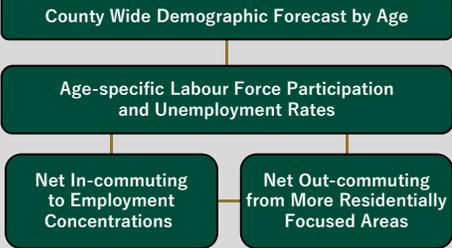


Apartment housing is more concentrated in larger urban centers while ground-related housing is more concentrated in designated greenfield areas

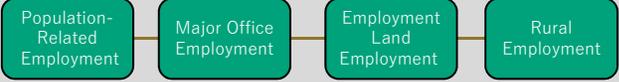
County Wide Household Forecast

Housing forecast is an indicator and driver of migration patterns

Employment Forecast



Employment in different economic sectors have specific built form and location requirements that influence the distribution of employment growth and inform the changes in net commuting patterns



County Wide Employment Forecast by Land-Use Types

Allocation by general land use types to areas attractive to those uses, ultimately creating the concentrations influencing commuting patterns and total employment in each community

A. THE FORECAST HORIZON HAS BEEN EXTENDED TO 2046

The County has experienced a significant up-tick in housing development since the 2016 Census. This recent surge reflects closer connectivity to the Greater Golden Horseshoe. COVID-19 also appears to have induced in-migration, including people that are choosing to work at home from more remote locations that potentially could translate into permanent settlement. The population and housing forecast for the County assumes that the recent increased rate of growth will continue in the short-term but then revert back to near historical norms. Nevertheless, it is expected that a sustained annual growth rate will be higher than previously anticipated. In Table 3, the forecast of population and permanent households is shown.

Table 3 – Population and Permanent Household Forecast to 2046

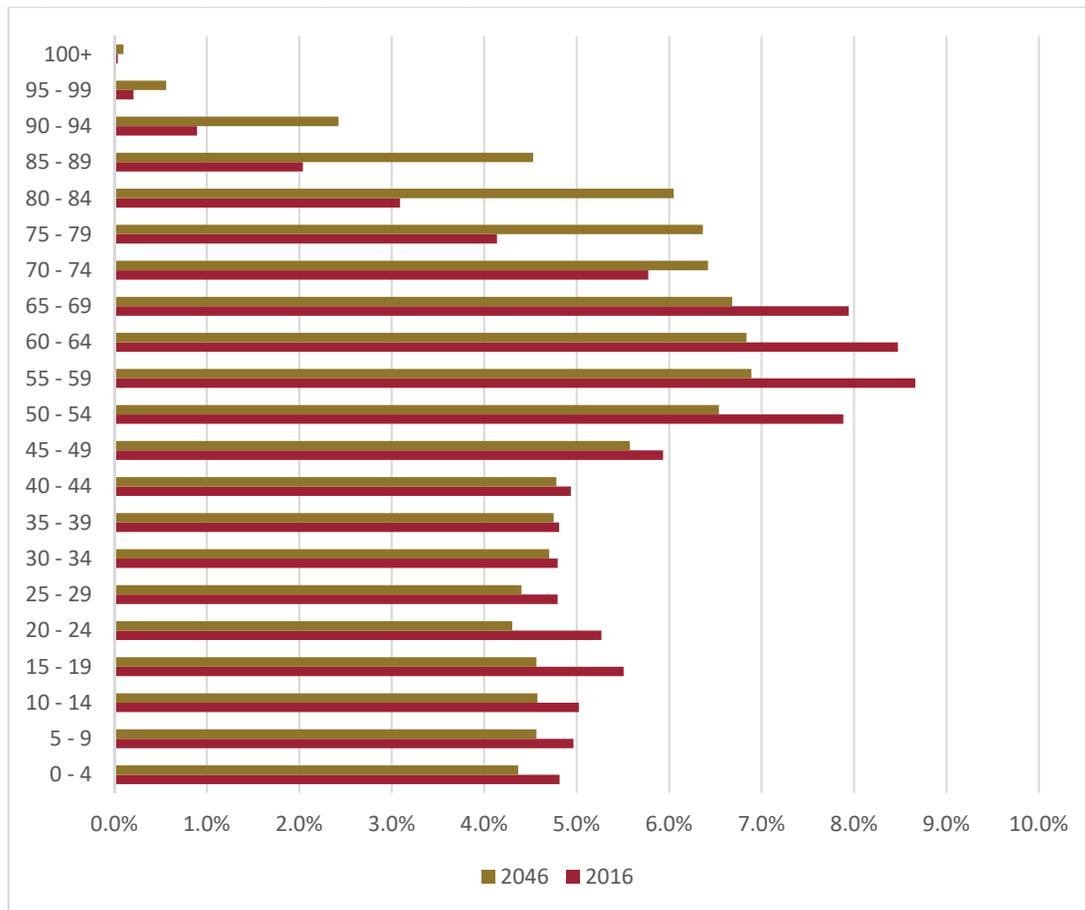
Census Year	Total Population	Population Growth	Annual Growth Rate	Households	Household Growth	Annual Growth Rate
2021	103,330			43,540		
2026	108,650	5,320	1.0%	46,550	3,010	1.3%
2031	113,440	4,790	0.9%	49,150	2,600	1.1%
2036	118,140	4,700	0.8%	51,550	2,400	1.0%
2041	122,680	4,540	0.8%	53,650	2,100	0.8%
2046	127,130	4,450	0.7%	55,570	1,920	0.7%
2021-2046		23,800	0.8%		12,030	1.0%

Source: Hemson Consulting Ltd.

The table shows that the County will exceed previous GMS forecasts. However, as with the 2018 GMS, the County will experience the effects of an aging population. As shown in Figure 2, the County's population age structure does not change dramatically although the number of residents older than 70 increases from 16% to 26% of the total population. This is partly the result of general longer life expectancy being experienced in Canada as well as the more County-specific age of migrants. Typically, the people moving to Grey County are established in their career, either have children or are planning to have children, and remain in the County for the remainder of their lives.

Another direct impact of COVID-19 is the increased level of in-migration. The forecast anticipates that the level of in-migration will generally remain higher than historical averages.

Figure 2 – County of Grey Age Structure, 2016 and 2046



Source: Hemson Consulting Ltd.

B. HOUSING GROWTH IS ALLOCATED TO LOCAL MUNICIPALITIES

The County of Grey is made up of several land uses. For this GMS update, it is assumed that lands currently designated Primary and Secondary settlement areas in the Official Plan will accommodate the forecasted development. In some instances, other land-use types—such as fully-serviced lands designated recreational resort community in The Town of the Blue Mountains—were also considered. However, it is the Primary settlement area lands that have full municipal servicing that are assumed to be the primary location for residential and non-residential growth.

The allocation of permanent housing units is shown in Table 4. This allocation was developed using several input factors. As noted above, adequacy of vacant lands is a necessary requirement but alone does not translate to housing development. The allocation also accounts for the current state of plans of subdivision (“active” plans are distinguished from proposed plans), and recent building permit activity. Assumptions about housing

growth prospects were informed by consultation with planning staff at each local municipality.

Table 4 – Permanent Household Forecast by Local Municipality to 2046

Year	2021	2046	Growth	Share
Town of the Blue Mountains	4,400	7,990	3,590	29.8%
Township of Chatsworth	2,770	3,070	300	2.5%
Township of Georgian Bluffs	4,540	5,240	700	5.8%
Municipality of Grey Highlands	4,190	4,810	620	5.1%
Town of Hanover	3,650	5,350	1,700	14.1%
Municipality of Meaford	5,150	6,270	1,120	9.3%
Township of Southgate	3,280	5,320	2,040	16.9%
Municipality of West Grey	5,410	6,250	840	7.0%
City of Owen Sound	10,140	11,270	1,130	9.4%
Grey County	43,540	55,570	12,040	100.0%

Source: Hemson Consulting Ltd.

The forecast number of seasonal units are layered onto the forecast of permanently occupied units. Table 5 shows the seasonal unit forecast for the County. The vacancy rate is assumed to remain relatively constant at 0.5%. The estimates shown in the table are rounded to the nearest hundred.

Table 5 – County-Wide Seasonal Unit Forecast

Census Year	Total Households	Occupied Households	Seasonal Houses	Vacant Houses
2001	42,440	35,330	6,900	210
2006	44,370	37,170	7,000	200
2011	46,450	38,050	8,200	200
2016	47,480	39,580	7,700	200
2021	50,940	43,540	7,100	300
2026	53,650	46,550	6,800	300
2031	56,050	49,150	6,600	300
2036	58,350	51,550	6,500	300
2041	60,650	53,650	6,700	300
2046	62,770	55,570	6,900	300
2051	64,680	57,080	7,300	300

Source: Hemson Consulting Ltd.

C. EMPLOYMENT FORECAST TO 2046

For the most part, the County-wide employment forecast is driven by the anticipated increase in population. The distribution of employment growth to the local municipalities employs the same allocation method as that used for population. Nearly half of the future employment growth in the County will be population-related jobs. At the same time, the County is expected to experience steady increase in goods producing activities, mainly in the manufacturing, transportation, and storage and warehousing sectors.

Table 6 illustrates the County-wide distribution of employment growth by land-use type.

Table 6 - Total Employment by Land-Use Area, 2021 - 2046

Census Year	Population Related	Employment Land	Rural	Total
2016	21,120	14,100	6,540	41,760
2021	22,580	13,880	7,100	43,560
2026	23,490	14,610	7,260	45,360
2031	24,280	15,280	7,420	46,980
2036	25,020	15,920	7,620	48,560
2041	25,700	16,850	7,860	50,410
2046	26,630	17,480	8,120	52,230
2021-2046	4,050	3,600	1,020	8,670

Source: Hemson Consulting Ltd.

Note: 2016 distributions based on Stats Canada dissemination area data.

Although sometimes overlooked, rural-based employment will remain a key contributor to the County's job market. Although the forecast growth for this sector is not as predominant as the population-related or industrial-type employment, rural-based employment is expected to remain stable to 2046. Rural-based employment is typically linked to agriculture but, as evidenced in the County, more and more small-scale manufacturing jobs outside urban land designated for industrial or commercial use are being created.

Population-related employment primarily serves local residents, both permanent and seasonal. The location of these jobs is generally planned for through community plans focused on residential areas. Employment land, lands that are primarily used by manufacturing, wholesale trade and transportation sectors, are located within designated industrial and business park areas throughout the County. These jobs are primarily accommodated in low-rise industrial-type buildings. Growth is largely dependent on the availability of designated employment lands.

The employment allocations seen below in Table 7 represent a revised outlook for all local municipalities when compared to the previous GMS. It is expected that a significant share of the Town of the Blue Mountains growth will be population related; while the City of Owen Sound’s growth will be mainly employment land employment.

Table 7 – Total Employment Forecast by Local Municipality to 2046

Year	2021	2046	Growth	Share
Town of the Blue Mountains	5,220	6,810	1,590	18.3%
Township of Chatsworth	1,560	1,860	300	3.5%
Township of Georgian Bluffs	3,570	4,310	740	8.5%
Municipality of Grey Highlands	4,320	5,030	710	8.2%
Town of Hanover	5,120	6,590	1,470	16.9%
Municipality of Meaford	3,700	4,350	650	7.5%
Township of Southgate	2,120	3,120	1,000	11.5%
Municipality of West Grey	3,550	4,230	680	7.8%
City of Owen Sound	14,390	15,930	1,540	17.7%
Grey County	43,550	52,230	8,680	100.0%

Source: Hemson Consulting Ltd.

D. COVID-19 IMPACTS

While the forecasts in this memorandum incorporate the demographic and economic disruptions arising from COVID-19, overall growth in the County is assumed to return to pre-pandemic expectations in the short-term. Given the current uncertainty, this outlook should be closely monitored. In the meantime, the following observations are made:

- Although exacerbated by COVID-19, the rapid rise in housing construction in the County predates the pandemic. The rise has been driven by migration from the GTA, particularly: the settlement of early retirees (the peak of the baby boom generation in Ontario just turned 60); and younger family households seeking more affordable housing but still within commuting distance of job concentrations in the regional municipalities of the GTA (the peak of the Millennial generation in Ontario just turned 30).
- The rise in demand for housing at the periphery of the Greater Golden Horseshoe since 2016 is not unique to Grey County. Similar patterns of residential development may be seen in Oxford County, Elgin County, and the District of Muskoka, all driven by similar socio-economic factors.

- Anecdotal evidence (higher school enrollment in some areas; increased number of development enquiries to municipal planning and building staff) suggests that COVID-19 has led to a spike in migration to the County by people either occupying a seasonal residence on a permanent basis or experimenting with long distance work-at-home arrangements during periods of lockdown, Without additional data, it is premature to assume that this pattern of settlement is anything but a temporary response to the pandemic.
- There has been much speculation about the effects of increased working from home on the distribution of housing and employment. More working at home could affect the tolerance for smaller living spaces that accompany denser development in the GTAH. Alternatively, it is not at all certain that workers or firms are finding the mass work-from-home experiment attractive or productive. In our view, it is too early to assume that long-term growth in the County will be materially affected by the relocation of GTAH office workers to Grey.
- The County has suffered job losses in food, accommodation and key tourism sectors since the onset of the pandemic, while also benefiting from an increased number of day trippers from the major urban centres to the south (outside strict lockdown conditions). There is little reason to suspect that year-round tourism, seasonal home sales and rentals, and hospitality activities will not return to pre-pandemic levels once COVID-19 restrictions are lifted.

E. LOCAL MUNICIPAL CONSIDERATIONS

The following provides a brief socio-economic profile and key assumptions used to inform the population and employment forecast for local municipalities in the County.

City of Owen Sound

The City grew by 700 people between 2016 and 2020 and it has a number of active residential developments, including several for higher density housing units. The City has an ample land supply to accommodate the forecasted housing growth. The City does not have any lands designated inland lakes and shoreline or secondary settlement area. Beyond a small amount of hazard lands, the land supply is entirely Primary Settlement Area.

With nearly 40% of the County's employment land employment growth occurring in Owen Sound, it is assumed that the City will continue to be the main job-serving centre in the area.

Municipality of West Grey

The Municipality of West Grey issued more than 250 building permits between 2016 and 2020 and has had population growth of 350 permanent residents over that period. Future development is forecasted to be between 35 and 50 units per year over the long-term with single detached and townhouse units continuing to be the predominant housing type.

Township of Southgate

The Township of Southgate added more than 1,000 permanent residents between 2016 and 2020, and is forecast to continue to grow at a faster-than-historical pace throughout the forecast period. With the addition of over 4,000 permanent residents by 2046, the Township will need most of its current plans of subdivisions to develop. The Township's rapid growth means that its share of the County's population and employment will increase over the forecast horizon.

With its proximity to GTA employment, the Township is poised to experience rapid development in the early part of the forecast period. In light of this, it is recommended that the County monitor the progress of Southgate's development, particularly the timing of additional wastewater servicing capacity, to ensure the Township's projections can be accommodated. If the Township does complete an upgrade to their wastewater facility, another review of the growth forecasts will likely be required.

Municipality of Grey Highlands

The Municipality of Grey Highlands is within the orbit of the GTAH and experienced increased building activity in 2020, mostly arising through rural severances and commercial development in rural areas. This pattern is expected to continue. Having added over 450 permanent residents between 2016 and 2020 the Municipality is experiencing the effects of increasing out-migration from the GTAH. It is noted that the long-term forecast does assume full build out of units associated with development applications in their early stages (i.e. lots that have yet to be formally registered). Depending on how these early-stage applications proceed, regular review of the Municipality's housing allocation is warranted.

Town of Hanover

The Town of Hanover's population increased by more than 400 permanent residents between 2016 and 2020, fuelled in part by out-migration from the GTAH. The Town's housing and population growth is expected to continue to accelerate during the early 2020s

with nearly half of the 3,400 additional residents expected by 2046 arriving before 2031; Hanover's share of the County's population will increase over the period.

The Town had an 80% activity rate in 2011 which then fell to 65% in 2016. While relatively high, this activity rate is considered normal for a small urban centre which services a relatively large rural area. The rate of employment growth is not forecast to grow as fast as the population growth rate. Nevertheless, the resulting activity rate of 54% in 2046 remains high, and higher than the County-wide average of 42%.

The Town recently completed a comprehensive review which demonstrates that a settlement area boundary expansion is required to accommodate the population and employment growth allocated to Hanover.

Township of Chatsworth

The Township of Chatsworth added 400 permanent residents between 2016 and 2020 and has averaged over 40 building permits per year. Chatsworth currently has few residential plans of subdivision and does not have any vacant Primary Settlement lands on full municipal services. The Township does, however, have significant Secondary designated lands and, should it begin to experience an increase in building permits and/or subdivision proposals, adding full urban services to these lands will be a priority.

The Town of The Blue Mountains

The Town of The Blue Mountains experienced a surge in population growth between 2016 and 2020, adding nearly 1,400 permanent residents. As seasonal development and corresponding population is the most prevalent type, the Town is encouraged to undertake a thorough analysis of the potential impacts of increased seasonality, especially the number of seasonal units that could become occupied by permanent residents, whether existing or new.

The GMS forecast assumes the relationship between seasonal and permanent units will lessen over the forecast period, initially due to COVID impacts which will result in more units being developed with the intention of being occupied by permanent residents. The Town is poised to grow significantly in the next 25 years both in terms of population and employment. It is anticipated that the employment growth will be primarily population serving and rural based.

The Town has a significant number of units within plans of subdivision at the active and final approved phase according to County data provided. This data informs part of the short term (to 2026) forecast estimates.

The recent imposition of an interim control by-law, effectively freezing development in the Town of Collingwood, is not considered to have an impact on long term growth prospects in the Town.

Municipality of Meaford

Having added over 500 permanent residents between 2016 and 2020, the Municipality of Meaford is poised to continue growing at a faster rate than previously forecast. With a number of residential units in process and a few potential significant subdivision applications under review, the need for a revised outlook in the next 5 years is warranted. This is especially true when the Municipality completes expected upgrades to its sewage treatment plant.

Township of Georgian Bluffs

The Township of Georgian Bluffs added nearly 500 permanent residents between 2016 and 2020. There are additional units within active plans of subdivision enabling growth in residential development to continue at the recent rate. Employment growth will be closely tied to the increase in population, adding jobs primarily in the population serving sectors.

F. CONCLUSION

The County of Grey and many of its local municipalities are in the midst of a population surge. The combination of the COVID-19 pandemic and housing affordability challenges in the Greater Golden Horseshoe has made the County a destination for young families seeking more space and early retirees who want a more relaxed congestion-free lifestyle.

That said, it is important to keep in mind that the Update to the County's Growth Management Strategy is a long-term demographic forecasting exercise. While the current population surge is likely to continue in the short-term, housing development and the corresponding growth in permanent population will return closer to historical patterns.

G. APPENDIX – DETAILED FORECAST TABLES (PROVIDED AS AN EXCEL WORKBOOK)